

IN THE
United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT

COLUMBIA GRAPHOPHONE
COMPANY,

Defendant-Appellant,

vs.

SEARCHLIGHT HORN COM-
PANY,

Plaintiff-Appellee.

} Appeal in
Equity.
(Patent
Suit.)

ON THE NIELSEN PHONOGRAPH HORN
PATENT No. 771,441

APPELLANT'S REPLY TO APPELLEE'S
BRIEF AND ARGUMENT ON
FINAL HEARING

By Permission of the Court—Granted June 2nd, 1916

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REPLY OF APPELLANT TO BRIEF AND
ARGUMENT OF APPELLEE

The Record on Appeal: Appellee at the bottom of page 6 and top of page 7 of his brief hints vaguely at the present record as being "abbreviated, maimed and impotent," etc. While the appellee has apparently little faith in his own assertions, we have only to say that pursuant to Section *a* of Rule 75 Appellant filed its praecipe indicating the portions of the Record to be incorporated into the transcript, and that the Appellee's Solicitor duly filed *his* praecipe specifying such additional portions of the Record as *he* desired incorporated into the transcript. If anything material to his side of the case has been omitted, it is his own fault.

Prior Patents: Appellee complains elsewhere in his brief of the great number of patents set up by way of defense, or that have been before the lower Court at one time or another, or are now before this Court. All we have to say is that in an earnest and conscientious effort to simplify the record as much as possible, and lessen your Honors' work, we sought by stipulation (R. 965-966) to bring before this Court only those patents which appeared to be material, or might be referred to in our brief or on the argument. To the 17 patents which *we* desired to present, Counsel for Appellee added *22 more*, many of which he would now parade as being relied upon by this Appellant. So far as the Appellant is concerned, the only patents which this Court needs consider are those specifically referred to in our Opening Brief.

Emendation of citation: Concerning United States vs. Post, 128 Fed. 950, 953, our Opening Brief, page 41, we wish to call the Court's attention to the fact that this case on appeal, 135 Fed. 1, was reversed on the ground that in the opinion of the Circuit Judges the trial Judge went too far in his charge to the jury, the upper Court holding that the burden of proof in a *criminal* case is never upon the accused to prove innocence; and that—

“While the judge of a federal court may express his opinion in a charge as to the weight or effect of evidence or the credibility of witnesses, he is not warranted in directing a jury that they should ignore evidence offered by a defendant as to the possession by her of certain

powers of mental healing because it was contrary to well-established laws of nature. If the evidence is admissible, its credibility and weight are matter for the jury to determine.”

PRIOR ADJUDICATION.

THE SHERMAN & CLAY LAW CASE: In that case the motion of the defendant to direct the jury to find a verdict in its favor on the ground that the patent was void for want of patentable invention, was in effect a motion for the Court to find that the patent was invalid *beyond a reasonable doubt*: i. e. that no reasonable jury could find otherwise,—and was therefore equivalent to a demurrer. The refusal so to rule was a decision *at best* merely that the Nielsen patent was not beyond a reasonable doubt invalid; and the affirmance on appeal was a finding that its invalidity was not beyond a reasonable doubt and that the question of *validity* lay with the JURY.

THE PACIFIC CASE: That case came to this Court along with the Sherman & Clay law case, and was merely an appeal from an Order granting the Preliminary Injunction. As shown by the Memorandum Opinion, 214 Fed. 257, the Order granting the Preliminary Injunction was affirmed “for the reasons set forth in the opinion filed in *Sherman & Clay vs. Searchlight Horn Co.*, 214 Fed. 86, 130 C. C. A. (Case No. 2306) and *Id.*, 214 Fed. 99, 130 C. C. A. No. 2307.”

In 214 Fed. 99, which was the Sherman & Clay appeal from the Preliminary Injunction based on the law case record, your Honors said:

“The granting of a Preliminary Injunction in a suit for the infringement of a patent rests within the sound discretion of the trial Court (citing cases). Under this rule the only question for the Court to determine would be: Had the Court abused its discretion? But another rule applicable to the present case is that, the validity of the patent having been sustained by a prior adjudication in an action at law and the infringement being clear the Court has no discretion to refuse a temporary Injunction pending a final hearing upon the issues involved in the case.”

THE PRESENT RECORD—NEW DEFENSES —NEW PARTIES

Such “new matter” (not appearing in the Sherman & Clay law case) as was brought before the Court of Appeals in the Pacific case above was presented merely by *ex parte* affidavits. There has really been but one record before this Court, that of the Sherman & Clay law case. The new defenses in the case at bar, based upon new evidence, are:

1. The Villy *Reissue* Patent.
2. The Villy *Metal* Horn with the admissions of the Plaintiff that this Villy Metal Horn is made under both the Villy and the Nielsen Patents. (But when you have subtracted Villy from the Villy Metal Horn how much of Nielsen is there left?)

3. The admissions of the Plaintiff that this Villy Metal Horn "*we consider the most perfect product of its kind ever turned out both structurally and accoustically.*" (See Wm. H. Locke's letter of Dec. 12, 1906, reproduced at the back of our Opening Brief.)
4. The Turpin French Patent Figs. 8 to 13 (our Opening Brief, page 65 and following).
5. The denial and refutation of the theory that the Nielsen Horn had any advantages in preventing "tintinnabulations" or "doing away with the vibratory character of the Horns—and doing away with the metallic sound produced in the operation thereof."
6. The defense of DOUBLE USE.
7. The defense of LACHES. (This defense of laches has its strongest support out of the mouths of plaintiff's own witnesses, and in testimony never previously before this Court in any manner whatsoever.)

THE GIST OF THE CASE.

Each one of the following six points is conclusively determinative of this case in favor of defendant-appellant.

I. Even conceding to "the patented Nielsen Horn" every conceivable merit and all the improved acoustic results asserted by Nielsen (and by plaintiff's able counsel), nevertheless, by reason of applying for and obtaining the Villy Reissue while owning the Nielsen Patent, plaintiff has formally and deliberately and irrevocably delivered over *to*

Villy all the credit for inventing the subject-matter defined by the Nielsen Claims in suit. This concession of inventorship in favor of Villy and against Nielsen, exhausts the patentable subject-matter, and estops plaintiff from now asserting Nielsen as the inventor of said subject-matter.

II. Again, even conceding as before, every merit to the patented Nielsen horn, nevertheless, it is no more than a DOUBLE USE of the old Gersdorff funnel, and therefore not patentable.

III. If the patented Nielsen horn does *not* in fact possess the alleged tonal properties, and if it does *not* produce the improved acoustic results asserted for it,—then the Nielsen Patent is for a mere mechanical (that is, structural) expedient, and is void under—

Howard vs. Stove Works, 150 U. S. 160-174;

Mfg. Co. vs. Holzer, 67 Fed. 907, 908 (First C. C. A.);

Kings Co. vs. Raisin Co., 182 Fed. 59, 63 (Ninth C. C. A.),—

and the Patent is also void because based on false and misleading statements.

As said in *Marchand vs. Emken*, 132 U. S. 252; 33 Law Ed. 332:

“Divest the case of the air of mystery with which it is environed and it seems simple enough.”

The Nielsen horn does not have the acoustic superiority claimed for it. We ask the members of this Honorable Court to be convinced of the absolute truth of this assertion by the testimony of their own ears. If when you cannot *hear* any difference between the various *horns* in evidence (i. e. horns of the same material and general size) then of what avail can it be that plaintiff-appellee's *argument* has a plausible sound? "The plaintiff's claim to be enrolled upon the list of inventors is based upon propositions too theoretical or visionary for acceptance," said Justice Blatchford in the Marchand case above. Plaintiff's theory is a plausible vision but it is merely a vision because it is not *true*. The horns in evidence speak for themselves on this proposition.

Popularity and commercial success is not evidence of patentability, and is very little evidence of utility; and is never competent even for that purpose, except in a doubtful case.

McClain vs. Ortmyer, 141 U. S. 419, 427-9; and cases cited on page 20 of our main brief.

IV. On the other hand, IF the patented Nielsen horn *does*, in fact, possess the alleged novel properties, and IF it *does* produce the improved acoustic results asserted for it, then such superiority would be self-demonstrated upon merely playing a Nielsen horn in comparison with the horns of the prior art; and the fact of its superiority would not have to be proved by the *testimony* of alleged "experts,"

nor would delicate laboratory tests with scientific instruments of precision be required in order to ascertain the supposed differences in behavior.

See *Lovell vs. Garland*, 221 Fed. 634, where the Court of Appeals for the Second Circuit, speaking of alleged functional differences analogous to those here asserted by plaintiff, said (emphasis ours):

“Science [*i. e.*, plaintiff’s witnesses and counsel] says these vibrations, from 300 to 500 per second, are not the same in the Pierman [the prior art] and Hutchinson horns [of the patent in suit], and this discovery demonstrates the superiority of the horn of the latter over that of the former. Commonsense replies, True, but we are *not dealing with scientific refinements* but with *practical results*, and Pierman [the prior art] shows how to produce these results, by a mechanism which, in principle and mode of operation, is the exact counterpart of that of Hutchinson [the patent in suit]. Their diaphragms may differ in size and material, the wheels may have more or less teeth, but the object is *the same* the result is *the same*, and it is accomplished by *substantially the same* mechanism.”

Lovell-McConnell vs. Garland, 221 Fed. 634, 636 (Second C. C. A.).

In other words, in order to justify a patent for a structure consisting (as does Nielsen’s) of OLD parts and features, upon the supposed ground that *new and improved results* are thereby produced, the existence of the alleged “new and improved results” must be beyond dispute,—must be clearly manifest beyond any reasonable doubt. And where,

as here, not only is there a great deal of "reasonable doubt," but the existence of the alleged "improved results" is flatly denied by a number of credible witnesses,—then there is no basis of reality and actuality sufficient to support the patent.

V. Now, as a matter of fact, and also as a matter of testimony, the Nielsen horn does *not* possess the tonal properties asserted.

(1) The members of this Court can determine the fact for themselves by actually playing the phonographs with first the Nielsen horns and then the *other* horns in evidence. A few measures on any record will show better than anything else the fallacy of the "rubber ball," "squeaky tintinnabulation," "interfering vibrations" theories of the plaintiff.

To make a Test: An interesting experiment to test the comparative sound vibrations is to place the nail of the little finger against different portions of the different horns when playing, with the back of the hand towards the horn. Try it on the body and seams particularly of Nielsen and Gersdorff and Turpin.

We hold ourselves at your Honors' service in assisting in any demonstration desired.

(2) As a matter of testimony, in later pages we cite and marshal the pertinent testimony.

VI. Finally, even conceding to the patented Nielsen horn every merit asserted for it, and even

assuming that the Nielsen patent is valid—all of which we deny—nevertheless, plaintiff's laches bars it from any relief; and, even should the Court think plaintiff entitled to injunction, yet certainly plaintiff is barred from an accounting. See pages 104 *et seq* of our main brief.

We would now elaborate certain of these defenses.

I.

THE VILLY REISSUE EXHAUSTED THE PATENTABLE SUBJECT-MATTER.

The Villy Reissue was not before the Courts in the Sherman-Clay suit. It is *new matter* before this Court.

The Nielsen Patent had been assigned to plaintiff's predecessor, the United States Horn Company, on Feb. 24, 1905 (R., 979). Thereafter, on October 3rd of the same year, said predecessor procured an *earlier* "flower horn patent"—the Villy Patent No. 739,932; and some weeks afterwards, on October 26, 1905, proceeded to apply for a RE-ISSUE thereof (R., 980).

Said United States Horn Company was plaintiff's predecessor and also was identical in interest with plaintiff (Locke, XQ. 55 on page 170; R. D. Q. 119 on page 187; also Q. 29 on page 149, and Krabbe Q. 61-2 on page 99). And whatever constitutes estoppel

against the U. S. Horn Co., constitutes estoppel against plaintiff.

The original Villy patent discloses a “*flower horn*,” and was the very first of those which plaintiff itself enumerates as “the earliest Flower Horn Patents,” (page 185); but the Claims of said Villy original patent were limited to a *folding* or “collapsible” horn; and the Villy Reissue broadened the Claims to cover the *non-folding* “Nielsen Horn” so-called.

The Villy Reissue patent, in lines 45-6 (Tr., p. 1038), repeating the statement of the Villy original, names as the material—

“paper, wood, linen, or OTHER preferably *flexible* material”; and the best-known and most usual phonograph-horn material (then and now) is SHEET METAL, which is pre-eminently *flexible*, and is therefore THE material suggested by the expression “*other flexible material*.”

Next, in lines 46-9 (Tr., p. 1039), repeating the statement of the Villy original, the Villy Reissue, says:

“My horn, owing to the curvature of the edges of the strips, is self-sustaining and requires no additional stiffening or sustaining devices, * * *.”

That is,—the *curving juncture* of the connected edges constitutes in itself a stiffening and sustaining device, and is therefore the mechanical *equiva-*

lent for Nielsen's "outwardly-directed flanges" or "ribs."

Then, at the top of the second column of the same page (page 1039), the Villy Reissue (repeating the statement of the original) says:

"and I vary the method of jointing and stiffening them [the longitudinal gore-sections or strips] to suit the material from which the strips are constructed * * *."

Plaintiff itself, the Searchlight Horn Company, has put out the so-called "Searchlight Folding Horns" in evidence,—one red and the others blue, and *all* made of SHEET METAL. All these metal folding Searchlight horns were labeled by plaintiff itself as made under the VILLY Reissue,—“Patented Jan. 30, 1906.” See also the Villy Reissue's number and date, as given on plaintiff's letter-head reproduced at the back of our main brief; see also plaintiff's circular letter on page 49, Vol. I, of the Transcript, which quotes Claim 8 of the Villy Reissue, after giving its number and date.

Plaintiff's "Searchlight Folding Horns" in evidence (see photograph thereof facing page 74 of our main brief), if made by a stranger, would indisputably infringe Villy's Reissue Claim 8, which is plainly readable thereon and is here repeated for convenience:

"A phonograph horn comprising a number of flexed strips having curved meeting edges and means joining said edges, said strips being so flexed and said edges so curved and joined that

the horn is given a trumpet-like or bell-like form, the strips forming angles where said edges meet."

The fact that the longitudinal strips of said Searchlight Folding Horns are made of sheet-metal, does not avoid this Claim 8, since sheet-metal is the chief "OTHER *flexible* material" contemplated by Villy. Nor is this Villy Claim 8 avoided by reason of the presence, in the Searchlight Folding Horns, of "piano-lid hinges"

(which constitute "the outwardly-directed flanges, whereby said strips are connected and whereby the body-portion of the horn is provided on the outside thereof with longitudinally-arranged ribs" of Nielsen)—

because *that* was a well-known "method" of joining the edges of strips of sheet-metal, and Villy has told us expressly that he

varies the method of joining and stiffening to suit the material used."

And, that such hinge-joint is a good and efficient juncture in a phonograph-horn, we are expressly told by plaintiff itself, in its letters to the National Phonograph Company (on pages 181-185), where plaintiff's *folding* horns are stated to be "equal to a lapped-seam horn" in "amplifying and tone qualities."

To apply the foregoing: If we subtract from plaintiff's "Searchlight Folding Horns" (in evidence) the subject-matter defined by Villy's said Claim 8—which subject-matter the simultaneous

owner of the *Nielsen* and Villy patents has irrevocably attributed to VILLY, as the true inventor—then NOTHING is left as the invention of Nielsen.

At the argument Appellee's Counsel produced a small box containing a miniature fan-like device and argued to the Court that this toy, or whatever it might be, was a Villy Horn. Such an extraneous unproven device should not be resorted to in the light of the three admittedly genuine Villy Metal Horns in evidence, manufactured by the Plaintiff under its Villy patent, and marked by it with the *Villy* patent-date and the Nielsen patent-date and with *no other date*. Counsel's course was manifestly an attempt to lessen the effects of the plaintiff's own admissions against interest that the Villy Metal Horns in evidence embody *all* that was material in Nielsen.

Plaintiff's written admissions creating an *estoppel in pais* may be briefly summarized as follows:

1. Plaintiff's circular of November 15, 1906 (R., 50, our opening brief, page 73), charging that *all flower horns* were "flagrant infringements" of the *Villy Patent*.

2. Plaintiff affixes the Villy patent date (along with the Nielsen) to its Villy metal horns, thereby branding it as a Villy Horn. Question: Subtract Villy, how much of Nielsen is left?

3. Mr. Locke's letters (R., 181, and following) concerning the Villy Metal Knockdown or folding horn (*italics ours*):

Dec. 12, 1906: "the most perfect product of the kind both structurally and *accoustically*."

Dec. 21, 1906: "In reference to the *metal* used in the knockdown horn etc."

July 20, 1909: "It can be made from any weight of *metal* used. Its amplifying and tone qualities are equal to a lap seam horn."

4. "We are * * * owners of Patents Nos. 739,954 issued *September* 29, 1903, 771,441 issued October 4, 1904, and 12,442 issued *October* 26, 1905. These are the *earliest flower horn* patents." (Locke's letter July 20, 1909). Note: the first and third patents are the Villy original and the Villy Reissue respectively.)

Thus from 1906 to 1909 plaintiff repeatedly asserted that *Villy's* was *the* patent for the *flower horn*; that it was a patent for a *metal* horn; and that above all VILLY *dominated the art* rather than Nielsen (Villy's Claim 8 quoted in said circular of November, 1906).

II.

DOUBLE USE OF GERSDORFF (R., 994-1000).

Gersdorff, like Nielsen, uses *sheet-metal* for his device.

In contour, the Gersdorff device is practically identical with Nielsen's. For instance, if Fig. III

of Gersdorff's 1891 patent (No. 453,798, R., 994) be superposed upon Fig. 1 of Nielsen, then on holding the two sheets up to the light, it will be seen that the contours of the respective Figures are practically coincident.

As a matter of fact, outwardly-curving "bell-mouthed" phonograph-horns were old and well-known; and Nielsen merely undertook to construct out of sheet metal, a horn of that graceful and pleasing appearance. But, in order to do so, he had to cut out the gore-sections with curving edges, just as the dress-maker or tailor does in shaping a garment to fit the body. Moreover, metal-workers already knew how to do that very thing, as taught by "The Metal-workers' Pattern Book" (interleaved between pages 50 and 51 of our main brief in evidence without objection from plaintiff) of which we handed up three enlarged photographs with a sliding panel inserted.

As to construction: Gersdorff's said 1891 patent says (lines 49-50, page 995) he employs—

"two, three or MORE," "longitudinal sections,"

which sections (lines 70-72) "extend from the top of the body portion to the lower end of the nozzle"; and Gersdorff further tells us (lines 77-81) that—

"the sections are united together along their side edges through the body of the funnel, by bending the same to form flanges and interlocking and soldering the flanges together, thus forming *longitudinal* seams."

This 1891 patent is Gersdorff's earliest disclosure of this structure. But what is pertinent to us he here reserves for his *later* patent (also in evidence), saying (page 996, lines 29-34):

"No claim is herein made to the funnel made of longitudinal sections, each section forming a part of the body and nozzle of the funnel and extending from the point of the nozzle to the top of the body, the sections being joined together by longitudinal seams, * * *."

To apply Gersdorff to Nielsen: As mere inert metallic structures, Gersdorff and Nielson are *identical*; and the following propositions are both pertinent and *true*, viz:

(1) During the lifetime of the Gersdorff patents, whoever should construct the device defined by Gersdorff's Claims, would infringe the patents,—even though he intended such device solely as a phonograph-horn and used it only for that purpose, and even though Gersdorff himself never contemplated using *his* device as a phonograph-horn.

Miller vs. Eagle, 151 U. S. 186.

(2) Certainly Gersdorff himself could not obtain a subsequent patent for the *same* structure when used as a phonograph-horn.

Miller vs. Eagle, *supra*.

(3) No more could Neilsen, a dozen years after Gersdorff, obtain a valid patent for the same structure, when designated "horn for phonographs or similar machines."

(4) Nielsen has made *no* “ingenious change” in Gersdorff’s structure, and has *not* had to “reorganize” the Gersdorff device, in order to enable the latter to be used on the phonograph; and Nielsen has *not* had to provide any new attachment or other new device in order to apply Gersdorff’s device upon the phonograph. Hence, Nielsen’s alleged contribution is nothing more than a mere “double use” of the old Gersdorff funnel, and is not patentable.

Stearns vs. Russell, 85 Fed. 218, 229-231
(Sixth C. C. A.);

Aron vs. Manhattan, 132 U. S. 191, 198; and
pages 94-104 of our main brief.

(5) During the lifetime of Gersdorff’s 1893 patent, infringement of Claim 2 thereof (found on R., 1000) could be avoided, by merely omitting to flatten the sides of the nozzle (and consequently dispensing with the corresponding function). But the old Gersdorff device, defined by the *remainder* of Gersdorff’s said Claim 2, and which the public was *always* free to use, is the same old device Nielsen is now claiming as new.

(6) Since the expiration of the Gersdorff patents, the public has been free to use the Gersdorff device, either with or without the flat-sided nozzle.—unless this Court is now going to permit the subsequent Nielsen Patent to deprive the public of the vested right it has heretofore enjoyed.

(7) The half dozen large Gersdorff funnels we produced in Court, in illustration of our argument,

are manifestly infringements of the Nielsen Claims in suit, whether said Gersdorff devices be used as phonograph-horns or for pouring water into the tank of a locomotive engine (while straining out the twigs and leaves that may happen to occur). Those large Gersdorff funnels can be used, just as they are, for *either* purpose,—either for playing a phonograph or for pouring water into a locomotive-tank. They are manifestly correct embodiments of *Gersdorff's* prior disclosures,—that fact is self-evident upon mere comparison. Therefore, we invoke the rule that “that which would infringe if later, must anticipate when earlier.”

Peters vs. Active, 129 U. S. 530; and
Pages 17-18 of our main brief.

We may appropriately conclude the subject of “double use” and “substitution of materials” with a brief reference to the case of *Hoff vs. Iron-Clad*, (139 U. S. 326), which was a suit on a patent for a “coal-scuttle” made of *sheet-metal* shaped into the proper form. Claim 2 was for the article, and Claim 1 for the method of making it. A prior English patent to Hazeltine disclosed “improvements in cylindrical and other boxes, cases, cans and similar vessels.”

Concerning the Hoff patent in suit, Mr. Justice BROWN said:

“The essence of the Hoff patent consists in his method of manufacture, by taking a blank sheet of metal of the proper size and shape.

folding it in the form of a cone, and then crimping the smaller end to form the bottom which is thus made much thicker and more durable than the sides.”

Mr. Justice BROWN pointed out that although in Hazeltine “many of the articles enumerated in his patent are evidently contemplated to be made of paper or paste-board, * * * (nevertheless) *even if the only material contemplated by Hazeltine were paste-board*, the adaptation of the same method of manufacture to a stiff material like zinc or sheet-iron would not necessarily involve invention so long as the process of manufacture is practically the same,” and both of Hoff’s Claims were held invalid.

Hoff vs. Iron-Clad, 139 U. S. 326, 329; 35 Law Ed. 179, 180.

III.

THE SEARCHLIGHT “PARABOLIC” HORN.

This Horn was made in great quantities for several years by plaintiff and is illustrated on their letterhead (reproduced and photographed at the back of our opening brief) and by two horns in evidence. This Horn was fluted and made in *four sections, soldered* together (XQ. 46-47, R., 169). Concerning this over-lapped joint of the sections, Mr. Locke informs us: (XQ. 48, R., 169) “in fact the joint was part of the *rib*.”

This parabolic Horn not only never bore the Nielsen patent date or number, but plaintiff has never

even claimed that it was covered by the Nielsen patent. In fact Mr. Locke on re-direct (R. 188) R. D. Q. 122 and following said:

“RDQ. 122. You have spoken, in your cross-examination of your company trying to put out a somewhat different horn as a novelty, in competition with the manufacturers of flower horns. What horns were you referring to as having been put out by your company as a novelty

“A. The horn called the ‘*parabolic*’ horn.

“RDQ. 123. What was your idea in putting out that horn?

“A. To construct a horn so as to get a reasonable price.

“RDQ. 124. What was the character of the horns that were being put out by competing manufacturers at the time the Searchlight Horn Company commenced business?

“A. The majority of them were flower horns, and the old B. & G. horns.

“RDQ. 125. Do I understand you correctly that it was the idea of your company that by introducing a novelty, namely, the ‘Searchlight’ horn, you could get business for your company in spite of the competition of the big manufacturers? A. Yes sir.

“RDQ. 127. Did the parabolic Searchlight horn prove acceptable to the trade?

“A. Well, we sold 30,000 to 40,000 of them.

“RDQ. 128. “What was your idea in going into the manufacture and sale of the folding horn?

“A. Our principal idea was to make a horn of the same general construction as the regular flower horn, that could be collapsible and packed

in a very small space, and shipped with the talking machine in the original package."

Mr. Locke says (R., 192) in answer to RDQ. 140—"I sold the National Phonograph Company (Edison) several thousand Searchlight Horns for the same trade, that is, their foreign department."

That plaintiff never considered its "parabolic horn" (which was a *sectional* and ribbed horn of *metal*) to be an infringement of Nielsen, is shown repeatedly by the testimony of Locke, thus: (R., 170):

"XQ. 55. What was the name by which the so-called Nielsen horns were sold by the Searchlight Company? What was the trade name?"

"A. I do not know that we made any Nielsen horns. We tried to put out a horn that we thought would be a novel one, but it did not take in competition with the flower horn. There was no market for any horns at that time in competition with the big companies that made the horn a part of their equipment."

But in answer to XQ. 89 (R., 178), Mr. Locke corrects the first part of his answer and says they made a "few" Nielsen flower horns.

That, in the opinion of plaintiff, the "Parabolic" horn never infringed Nielsen is shown by the fact that plaintiff made that horn in considerable quantities *before* it secured from the United States Horn Co. the assignment of the Nielsen patent in suit (Locke, XQ. 45, R., 169, XQ. 53, R., 170); and that the Searchlight Horn Co. had no license from the

owners of the Nielsen patent (XQ. 55, R., 170). In answer to XQ. 88, R., 178, Mr. Locke says:

“A. We made the regular flower horn, *but we pushed this Searchlight horn because it was different from anything else on the market.*”

And to compare the reproducing qualities of the Searchlight “parabolic horn” with the Nielsen horn, Mr. Locke says (R., 185-6):

“We always claimed that it was a better horn.”

NOTE: This “parabolic horn” was, according to plaintiff’s own admissions, a non-infringing, sectional, *ribbed* “flower horn” of *metal*, “abruptly flared” towards the mouth, and with the sections having *curved* meeting edges. These admissions go to show the very limited construction which plaintiff put upon the Nielsen patent prior to this litigation, and that *Villy* comprised all that was to be claimed for a *flower* horn, or as Claim 8 of *Villy* calls it, a horn with a “trumpet-like or bell-like form.”

In other words, Mr. Locke and his Company during these early years reflected the common opinion of the talking-machine world, that the Nielsen patent, if valid at all, was so narrow as to be of no value. And plaintiff attributed to Villy ALL the supposedly-patentable subject-matter. Under such circumstances manifestly no injunction should issue, much less an accounting be decreed.

IV.

THE ALLEGED SUPERIORITY OF THE
NIELSEN PATENTED HORNS.

Nielsen states in his patent that—"The object of the invention is to provide a horn for machines of the class designated which would do away with the *mechanical vibratory and metallic sound* usually produced in the operation of such machines."

Plaintiff by the use of unfamiliar phrases such as "vibrations of wide amplitude,"—"amplitude of vibrations,"—"metallic resonance,"—"squeaky tinnabulations," etc., has sought to surround with mystery what is otherwise a very simple proposition. In this art, as in others, it is necessary for the Court to endeavor to put itself in the position of "the man skilled in the art" and in this connection we cannot refrain from quoting somewhat at length the keen observations of Judge MAYER in the recent case of

Kintner vs. Atlantic Co., 230 Fed. 829, 830.

"The radio art (as wireless telegraphy is now called) is, at the outset, so mysterious to the layman that even its fundamentals still seem wonderful, and what to the scientist may appear to be but natural progress may carry an exaggerated importance to an unskilled mind. It is therefore vital to have a clear understanding of the state of the art, and at least to endeavor to perform that difficult feat of mental gymnastics whereby a lay mind presumes to understand, first what was known to that much

referred to person 'the man skilled in the art,' and next whether what was done went beyond the ken of that same person.

"Fortunately, in this case, we have an extraordinary array of men of super-scientific attainments, some of whom have spoken through their writings and others in the flesh, and, with the court transformed into a university classroom, it has been a liberal education to listen to the noted scientists who have appeared, either as experts or as fact witnesses, as well as to the many fine upstanding men whom the government and the wireless telegraph companies are fortunate enough to have in their service from officers to operators. From hearing what these men have said and reading what they and others have written, the case must be approached with the realization that 'the man skilled in the art' possessed a high order of knowledge and attainment and that something profoundly abstruse to men less qualified may have been the non-inventive, although useful, step forward, * * * when the date of an invention and the clarity of disclosure are in serious controversy the courts must be vigilant to prevent a result by which after-acquired knowledge, in a swiftly developing art, gives to a patentee that valuable control which would not have been his but for a later, or, if not later, a newly expressed, thought which he seeks to antedate.

"Finally, although at times, in some patent cases, much concern is expressed in argument about the rights of the public in regard to some alleged invention, without which, up to that time, the public had lived with philosophic complacency, yet in cases where advances in respect of health, safety, and comfort of living are concerned, the public has a real as well as a theoretical interest."

With this in view we have only to say that much that the appellee in his brief has said at page 16 and following, concerning the alleged behavior of the B. & G., Nielsen, and other horns, is in large measure not only contrary to the facts, but sheer nonsense.

On pages 39 and 30 of his brief, appellee italicizes the following paragraph:

“The mechanical vibrations of the metal sections of the Nielsen horn are of such small amplitude in comparison with the vibrations of the prior horns, as to practically do away with, or at least to so minimize, as to render inaudible the harsh, squeaky, metallic sounds found in the horns of the prior art, and which this Court has denominated metallic resonance or tintinnabulation.”

Horns of “metallic sections” with “mechanical vibrations” of “small amplitude” obviously belong to Villy. The Villy Metal Horn proves it. Mr. Locke and plaintiff admit it. Concerning Villy Mr. Locke writes (if we may be pardoned the repetition):

“*Letter of December 12, 1906:*

“The most perfect product of its kind ever turned out both structurally and accoustically.”

“*July 20th, 1909:*

“Its amplifying and tonal qualities are equal to a lap-seamed horn.”

Mr. Locke in answer to XQ. 108 (R., 185), claims superior reproducing qualities of the parabolic horn over the flower horn.

That as between Villy and Nielsen, Locke says, XQ. 110 (R., 186):

“I never could see any material difference in the reproducing with the folding horn or with the regular flower horn.”

Villy of course was prior art. So what did Nielsen contribute by way of “tonal advantages,” or “filling a long-felt want,” in view of plaintiff’s own written admissions? Gersdorff was prior art; Turpin was prior art; and if the Court will but actually try-out the Gersdorff and Turpin Horns exhibited to the Court at final hearing by appellant, in comparison with the Nielsen Horn, your Honors will see for yourselves an end of the “tintinnabulation” bugaboo, since the Horns are all of equal accoustical value, except that the Turpin Horn is sweeter and softer.

PLAINTIFF ALWAYS CLAIMED PERFECTION FOR ITS “PARABOLIC HORN,” “BRAZED PRACTICALLY INTO ONE PIECE” (COMPARE B. & G. HORN), AS AGAINST THE NIELSEN AND ALL OTHER HORNS.

Further admissions against interest by the plaintiff on this exploded theory of “long-felt want” filled by Nielsen is found in the advertisements of the *plaintiff* in copies of the “Talking Machine World,” in evidence, some of these advertisements having been photographically reproduced. In its

June, 1906, advertisement plaintiff says (concerning its "Parabolic horn," mind you):—

"The marvelous Searchlight Horn is designed and constructed on the scientific principle of a Searchlight reflector by a master of accoustics, made of carefully selected rust-proof sheet steel, giving uniformity of tone, strengthened by drawn ribs and *brazed practically into one piece* (more metal but properly distributed) *thus avoiding the rattling or discordant vibrations*. Reproduce louder and *clearer* than any other horn and to the full capacity of the record."

[Note the above: "brazed practically into one piece," making it really a B. & G. horn.]

In its July, 1906, advertisement, plaintiff says:

"The marvelous Searchlight Horn is more than 100% stronger and 40% *clearer than any horn ever manufactured.*"

In its August, 1906, advertisement, it said:

"The marvelous Searchlight Horn is the strongest and only *accoustically* constructed horn ever made."

In its September, 1906, advertisement, it said:

"The success of the Searchlight Horn is at once the highest tribute to its merit. Pronounced by experts to be the only *accoustically constructed horn on the market.*"

In its October, 1906, advertisement, it said:

"The Searchlight Horn is a revelation to the lover of good music. * * * When once you

have heard the 'Searchlight' you will have no other."

In its November, 1906, advertisement, it said:

"The Searchlight horn makes a soulful instrument of a talking machine."

Plaintiff did not acquire the Nielsen Patent until January 4, 1907 (See assignment R. 978-982).

It was touting the beauties and advantages of a horn "brazed practically into one piece" as against the "rattling or discorded vibrations" of its competitors, which according to plaintiff's own statements *were one and all then using the Nielsen multi-section horn.*

NOTE: In 1906 there were two horns, the "Searchlight" and the "Nielsen."

In 1906 plaintiff strenuously proclaims the "Searchlight" horn to be the only "accoustically perfect" horn on the market, "avoiding the rattling and discordant vibrations" of all *other* horns (thereby necessarily including the Nielsen horn in its condemnation).

In 1916 plaintiff solemnly insists that the Nielsen horn was in 1906 the only "accoustically perfect" horn on the market, "avoiding the rattling and discordant vibrations" of all other horns (thereby necessarily including the "Searchlight").

If more evidence be needed to show that the theory of Nielsen is exploded, we would briefly direct the Court's attention to the testimony of the following witnesses for the defense:

MR. HUNTER (R. 211 and following) testifies:

"A. I have given the subject matter of the Nielsen patent and the claims, as to novelty of invention therein, very careful consideration, not only from a study of the patent itself taken in connection with my knowledge of applied acoustics, but also after having made a large number of tests and experiments; and it is my opinion, based upon this foundation, that the statements contained in the patent as to the results to be secured by the construction therein described and claimed is not warranted by the facts and that the results alleged to be accomplished are in fact not accomplished.

"As a matter of fact, it is not possible to brace, by ribs or otherwise, a sheet metal horn so that it will not produce vibrations and thereby sounds due to its own construction. Even though the horn were of a solid mass of cast metal it would still vibrate to some extent, but would possibly not produce any appreciable effect upon the sound waves from the reproducer which would be distinguished by the ear. However, when making the amplifying horn of sheet metal there would be no possible way of bracing it to prevent its own natural vibrations, although to some extent these vibrations might be modified by proper construction of the horn to give exceptional rigidity. This, however, is not accomplished by the construction which is illustrated and described and specifically defined in the claims of the Nielsen Patent in suit and I will explain more in detail my

reasons for the expression of this opinion, inasmuch as it is diametrically opposed to the statements which are found in the Nielsen Patent.

“IF we consider a plate as having bounding edges, the metal is in the best form to be set into vibration. In the Nielsen Patent these strips are provided with flanges along their edges, but these flanges are relatively of small vertical height as compared to the transverse width and area of the strips so that while in a measure they give rigidity to the edges of the plates they do not in any manner interfere with the free vibrations of the plates between the flanges. Moreover, the flanges of adjacent plates being soldered together does not interfere with the freedom of vibration of the various plates or strips making up the horn, because the amplitude of vibration is relatively small and the yielding character as well as the non-vibrating character of the solder joining the plates does not interfere with the independence of the plates as separate vibrating elements. These plates, in the actual horn structure, are free to vibrate and vibrate very readily. In my experiments with horns of this character, I found that the vibrations along the line of the ribs also vibrated very freely, said vibrations being greater toward the large end of the horn than toward the smaller end. * * *

“The manner of uniting the flanges in the Nielsen structure whereby there are a large number of plates or strips in making up the full circumference of the horn there is great tendency to increase the vibration permissible over what would be the case if such plurality of plates were made as of one integral plate bent into the general shape of the horn, substantially as indicated in Fig. 3 in cross-section without the ribs b². * * *

“I found that there was far less vibration in the horn *without* the ribs than there was in the horn with the ribs adjacent to these bent portions corresponding to the position of the ribs in the Nielsen Patent. As a matter of fact, in the horn without the ribs the continuity of the plate being present and modified by an angular bend, I found that there was far less vibration along the ridge of such bend than there was upon the rib formed upon the similar bend in the other horn made of the flanged strips and outwardly extending ribs to correspond to the Nielsen Patent. This was in exact accordance with what I would have expected because in the one case, notwithstanding that the plates were soldered tightly together, they were nevertheless independent plates when we consider a high state of vibration to which such plates are subjected, while on the other hand the plate which was continuous had no free edges and therefore the angular bend given to it acted very materially to stiffen it to such an extent as to prevent free vibration and under these conditions such line of bending acts as a nodal line, and would be largely equivalent to a plate at its point of clamping, namely, the point by which it may be held, whether at a single point or along a line. * * *

“These experiments indicated that the alleged operation or result set out in the Nielsen Patent was not correct as a matter of fact. It did not occur in the construction of a horn ribbed by employment of flanges secured together as therein described. * * *

“I came to the conclusion that there was no difference in favor of the horn having the strips united by the longitudinal seams (as in the defendant's horn in controversy) in the produc-

tion of less metallic sound due to the horn than in the case of the B. & G. horn. * * *

“It is an utter impossibility for any horn of flexible metal to act as an amplifier for strong sound vibrations without producing these metal lines as boundaries to the surfaces of vibration.
* * *

“Considering these various experiments, supplemented, of course, by numerous experiments which I have before made from time to time in respect to reproduction of sound by the amplifying horn, I am thoroughly convinced that there is nothing in the construction of horn embodied in the defendant’s structure which will prevent vibration of the horn ‘to do away with the vibratory character’ of the horn and ‘do away with the metallic sound produced in the operation thereof,’ namely, the essential objects of the Nielsen patent in suit, and as particularly recited in lines 71 to 77 inclusive of page 1 thereof.”

Again on page 221, Mr. Hunter says:

“A. The making up of the horn in sections and connecting them by mechanical longitudinal seams in the horn of defendant’s structure, enabled these sections to vibrate more freely than the same area of sections would have vibrated had they been of one continuous sheet of metal bent into the shape of the horn. Furthermore, in the case of the B. & G. type, the continuous surface of the metal curved in the form of a cylinder makes the construction more rigid against vibration than does the structure employing flat surfaces as in the defendant’s horn structure, so that there was no minimizing or reducing of mechanical vibrations in the horn of defendant’s construction over the B. & G. construction.”

On page 222 Mr. Hunter says he finds nothing in the Nielsen patent "except the mere unsupported statement of the inventor that the ribs which he describes accomplish or are intended to accomplish" the minimizing of "tintinnabulation" or "mechanical vibrations."

MR. WALTER H. MILLER, phonograph-expert, and engineer of Thos. A. Edison, Inc., testified, R. 324, that he had used reproducing horns in 1900 "at our recording plant at Orange which were equal, if not superior to any now used on the market."

"Q. 14. (R. 324) Please describe the reproducing horns which you had in 1900.

A. This was a brass horn with a spun bell about two foot in diameter at the large opening and tapered down to the usual opening, five-eighths of an inch. The length over all was about fifty-six inches."

MR. STEWART connected with the phonograph business since 1894 (R. 572):

"In the great many tests that I have made it has been found to be impossible for any one to distinguish with any degree of certainty the difference in the sound reproduction of any horn of approximately the same size as to length and diameter, except in that the longer the tube is, or the longer the horn, the deeper the tone. On one occasion Mr. Vandergrift of the firm of Sheip and Vandergrift came to our factory with a wood horn which they have since put on the market as the 'Music Master' horn. We tried Mr. Vandergrift's horn in comparison with several other horns on the same record, Mr. Vandergrift and others who were present making

the test having their backs turned to the machine, all those present having made notes as to which reproduction they considered as being the best, and the result was that they were all different, and Mr. Vandergrift picked out a metal horn as being the best all-round reproducing apparatus."

"RDQ. 208. Please compare the all-spun brass horn made by Hawthorne and Sheble with the so-called flower horn, such as that shown on page 8 of the Talking Machine World for January 15, 1905, with respect to their sound producing qualities.

"A. The full spun horn has a deeper tone as compared to the flower horn, this being partly due to the difference in the length of the horn.

"RDQ. 209. In your opinion, which, if either, is the better horn for the reproduction of sound from a phonograph record?

"A. The brass horn would be more pleasant than the other; but with the phonograph horns it is a great deal like the story about the lady whom during the campaign inquired if the man on the street who was selling photographs of the candidates, who would be the next president, as she wanted to buy his photograph. The man replied, 'I don't know, lady; you pays your money and takes your choice.' " (R. 576).

MR. KAISER, an expert in Phonograph work since 1891, says in answer to Q. 38 (R. 449):

" * * * most users of talking machines prefer to sacrifice the tonal quality of their machine than to sacrifice the harmony of surroundings in their home."

Again (R. 463) he testified as follows:

“Q. 82. Please state whether any different effect is produced in a horn or phonographs by employing one seam, or more than one seam, in the construction of the horn with respect to the reproduction of sound from a phonograph record.

“A. In my opinion, the seam makes absolutely no difference in the reproduction. I believe, however, that a horn would be more durable if constructed with more seams.”

MR. SENNE, a manufacturer of phonographs since 1904, testified (R. 483 and 484):

“Q. 60. Please state the effect in a metal horn for phonographs if the longitudinal ribs formed by joining together the edges of the tapering strips composing the horn?

“A. In joining together the longitudinal edges to tend to stiffen the horn, it is absolutely necessary to have some kind of a joint to hold the horn in a rigid position.”

MR. HAWTHORNE, of Hawthorne & Sheble, manufacturers of Phonograph Horns, said in answer to Q. 43 (R. 512):

“I have made a study of phonograph sound reproduction for almost twenty years. There is absolutely no foundation whatever in the claim that a horn made with longitudinal ribs will reproduce phonograph music or otherwise superior to other types of horns.”

And again (R. 514), as follows:

“Q. 48. Have you in your experience with horns for phonographs made any tests of the sound producing qualities for such horns?

“A. I have tested every type of horn that has been offered to the public and as they appeared. Each maker claimed peculiar advantages for his type of horn. The successful reproduction, however, depends upon the dimensions more than on any other feature.

“Q. 49. Please describe the manner in which you tested the sound producing qualities of different horns for phonographs, either by yourself or with others.

“A. There were faddists with horns the same as in motor cars. It was my business in selling horns to produce a horn that would suit the idea of the purchaser. In actual comparative tests, however, when it was desired to obtain results it was my custom to seat the listener with his back toward the horn and then ask them to designate which type of horn was in use. My theory was that the eye largely determined the type of horn they preferred, as it was more in harmony with their ideas. I frequently had horns brought to me for test purposes and they tested such horns against an ordinary type of horn, and the listener has selected the ordinary type of horn as being the best more often than they have selected their particular model.

“Q. 50. Is there any difference in the sound producing qualities of a horn by reason of the construction of a horn with one rib or with two or more ribs running longitudinally of the horn?

“A. Absolutely none.”

Nielsen at best may be said to be in the position of one who discovers a difficulty or problem, but *fails* to solve it.

Patents, however, are granted for solving problems not for stating them.

Columbia Motor Car Co. vs. Duerer, 184 Fed. 893; C. C. A. (Selden Automobile Patent.)

V.

PLAINTIFF'S SELF-SERVING ADVERTISEMENTS.

Of the first 70 pages of Appellee's brief, constituting his main argument for the sustaining of the Nielsen Patent, he consumes approximately 10 pages (or one-seventh of his brief) in quoting laudatory advertisements, which so far as appellant can see, have no legitimate place either in the argument or in the record. We refer particularly to pages 50 to 58 inclusive, where page after page is given to quoting *printed hearsay*. The advertisements quoted are neither the advertisements of the Columbia Company (the defendant in the case at bar) nor of the Pacific Phonograph Co. nor of Sherman & Clay (defendants in the other cases where the alleged testimony was offered).

So much store is placed on these advertisements and laudatory articles and statements, that plaintiff in its brief quoted them not once but twice. See appellee's brief, page 92.

The variance between these advertisements *by strangers to the record*, offered by plaintiff to sustain the validity of its patent, and the advertise-

ments of the plaintiff itself (previously referred to herein as plaintiff's admissions against interest), is too obvious for comment.

In *Schlicht v. Acolipyle Co.* (117 Fed. 299), it was held that while the admissions of a defendant through its *circulars and otherwise* cannot be ignored, such admissions are insufficient to establish the *validity* of a patent though they might be persuasive of infringement.

The vice of such printed hearsay to sustain a patent, is aptly expressed by the Court in *Bethlehem Steel Co. v. Niles-Bement-Pond Co.* (166 Fed. 894, affirmed in 173 Fed. 1019), viz.:

"No small part of the complainant's testimony has been offered for the purpose of showing the utility of the patents. Several of its experts in their testimony have read into the record highly laudatory extracts of articles relating to them from various publications. So much store has been set on these that, with few exceptions, they appear in the record at least twice, and one of them three or four times. Such matter, if it were evidence, at all, would be evidence of a low order. But upon what theory, can it be regarded otherwise than as hearsay evidence? It is not known, in any legal sense, why the articles were written; who inspired them; who was their real author; what the source of his knowledge, or anything of his integrity, reputation, or experience. These are but a few of the many queries which instantly suggest themselves. It was hearsay testimony, and was not purged of that vice by being filtered through the mouth of an expert. If the

authors knew anything of value concerning these patents or their utility they should have been produced, and the source and accuracy of their knowledge tested in the usual way. * * *

“Again in this connection it is remarkable that so much testimony should have been given up to *laudatory articles and statements*, and so little to the testimony of the licensees under the patents, who must have known of their practical utility if it existed.” (Pages 894-5).

What the plaintiff's aforesaid advertisements (in the case at bar) *do go to prove is: They supply what this Court said was lacking in the Sherman & Clay Case, 214 Fed. 86, at page 94, (italics ours), to-wit:*

“There was no evidence tending to show that this extensive use of the Nielsen Horns was due to any other cause than the merit of the device; *there was no evidence of greater business efforts or advertising in bringing the horns to the attention of the public.*”

In leaving this subject it may be said of the Nielsen Horn as Judge MAYER recently said of the popularity of an invention in the case of

Epstein vs. Dryfoos, 229 Fed. 756:

“In approaching the consideration of the patentable novelty of an article of wearing apparel, it is well, in a doubtful case, to weigh cautiously the influence of commercial utility, for, in addition to the merit of the product, many causes contribute to success. *notably a nation-wide market, change of fashions, clever advertising, and good business methods.*”

In that case the invention had proven an undoubted success and the plaintiffs had developed a large business from a modest beginning, but it appeared that the success of the patented device was in large measure influenced by prevailing fashions *and although the patent there had been sustained in two other Circuit Courts of Appeals, nevertheless the Bill was dismissed*, the Court concluding its opinion thus:

“ * * * desirable as is the recognition of invention, it is equally desirable that in a busy work-a-day art, the competitive field should not be limited by extending to the claims of a patent a scope which was never intended, and more especially where the contrivance, though successful, has by no means revolutionized the art.”

VI.

LACHES AND ESTOPPEL.

The Appellee dismisses this subject in a half-dozen pages with the general charge that the defense is not supported by the proofs. Without questioning the motive of such an unwarranted statement we will briefly refer the Court to the following portions of the record in addition to those parts referred to in our opening brief between pages 110-124, inclusive thereof, as showing that the allegations of the Answer find *ample support* in the Record: The issue of Laches presented by the Answer is simply that the Columbia Company, defendant, was never a manufacturer of Horns, which fact was known to the plaintiff; that the defendant purchased

its Horns from Hawthorne & Sheble, or the Tea Tray Company, which fact was also known to the plaintiff; that the plaintiff as owner of the Nielsen Patent by its consistent conduct of exploiting the superiorities of the non-infringing sectional ribbed Searchlight Horn over the Nielsen, and the claimed superiority or equal advantages of the knock-down Willy Metal Horn over or with the Nielsen, and the refusal of the plaintiff to take any action against the manufacturers or other users or dealers in Flower Horns, naturally led the defendant to buy its Horns in the market where it could obtain them. Plaintiff could not or would not furnish them; Hawthorne & Sheble did furnish them, apparently under a claim of right, in the universal and wide-spread belief that the Nielsen Patent was either void or so limited as to be of practically no value. If a record ever supported such a defense, and a defense coming out of the mouths of the plaintiff's own witnesses, certainly this record does. Plaintiff's Counsel repeatedly in his brief admits the source of defendant's Horns. Thus, on page 21: "Notably among those workers was Mr. Sheble of the firm of Hawthorne & Sheble, *who furnished to the defendant in this case*, the Horns which are claimed to be an infringement."

And again, page 57, he says:

"Hawthorne & Sheble are the manufacturers *who furnished to the defendants herein* the infringing Horns."

Plaintiff's witness, Arthur B. Pettit, (R. 164) testifies:

"Q. 20. To what extent, if you know, did the Hawthorne & Sheble Mfg. Co. make the flower horn?

"A. Toward the end of 1904, or early part of 1905, they commenced making the flower horn in large quantities and thereafter made it as their regular horn replacing the B. & G. and the brass horn. Later the *Hawthorne & Sheble Mfg. Co. made the flower horn for the Columbia Phonograph Company.*"

Appellee's Brief, page 132-133, says:

"It does not even appear from the Record when the appellant began its infringement, or how long it was continued. * * * So far as the Record shows the infringement may have begun only a few days before the suit was filed."

Such bald statements are contradicted in numerous instances in the Record.

Mr. E. A. Merritt, one of the witnesses for the plaintiff, on direct examination says that the Columbia Company began infringing early in 1905. He says (R. 122-123):

"Among these concerns that put the flower horns upon the market in 1904 or early in 1905 were the *Hawthorne & Sheble Mfg. Co.* of Philadelphia, the *Tea Tray Company* of Newark, N. J., the *Standard Metal Manufacturing Company* of Newark, N. J., and several other concerns. The success of the flower horn was so marked, however, that within a short time the

manufacturers of the phonographs themselves decided to give a larger horn with their equipment and themselves decided to adopt the flower horn. *From that time on* the flower became the regular standard equipment of the talking machine put out by the Edison, Victor, Xonophone and *Columbia* companies."

On pages 148 and 149, Mr. Wm. H. Locke, Jr., President of the plaintiff Company, says that early *in 1906* HE KNEW that the Columbia Company and the manufacturers of the Horns for the Columbia were infringing the Nielsen Patent.

He testified (R. 148):

" * * * *I called on Hawthorne & Sheble Mfg. Co. in February, 1906, and also about the same time, I called upon Mr. Lawrence, president of the Standard Metal Mfg. Company, and Mr. Martan, president of the Tea Tray Company, and also met Mr. Conger, treasurer or secretary of that company. Mr. Krabbe had also called upon various concerns and we always notified them of our ownership of the patent and requested them to cease infringing. Our attorney, Mr. Burnham C. Stickney, also notified various companies, including the Eclipse Phonograph Company, Hoboken, New Jersey; Messrs. Geller Brothers, 275 West Cheney Street, Newark, N. J., the Tea Tray Company, Newark, N. J.; Standard Metal Mfg. Co., Newark, N. J., Columbia Phonograph Company, New York City; Hawthorne & Sheble Manufacturing Company, Philadelphia, Pa. I also called on the Victor Talking Machine Company and met their manager, Mr. Geisler, the National Phonograph Company and Columbia Phonograph.*" * * *

In answer to Q. 28, R. 149, he said:

“A. *Each one stated* that too many concerns were making these flower horns to warrant it being the first to acknowledge the patent and cease infringement. *The invariable response* was that if we would stop the infringement by the other the particular one I was talking to would stop. In effect they decline to pay any attention to us until we had fought the case out in the courts.”

Again on page 171, Mr. Locke testifies:

“XQ. 57. When did the large companies begin to make the horn a part of their equipment?

“A. My impression is, the Victor Company in 1906; the Edison Company in 1907; and the *Columbia people, in 1906.*”

Mr. Miller, at the argument on final hearing, in charging the wide-spread infringement as early as 1906, said (referring to defendant and the other phonograph companies):

“Every last one of them adopted the Nielsen Horn.”

That statement must be based on first-hand knowledge, otherwise Counsel would not make such a sweeping charge.

Counsel for Appellee also says on page 58 of his brief:

“We think it safe to say that the three great phonograph companies,—Edison, Victor and Columbia—have sold in the aggregate 3,000,000 phonographs containing Nielsen Horns.”

On page 137 of his brief, he says:

“The Columbia Graphophone Company is one of the three great phonograph companies of the world and in all probability has sold over 1,000,000 horns.”

See also, Mr. Miller’s affidavit (R. 958-959), quoted in our opening brief pages 122-123, wherein he says under oath that the Columbia Company has sold approximately 1,100,000 infringing horns, for which he will demand by way of damages on the accounting a royalty of 50c per horn “together with additional items of damages caused by the infringement.”

May plaintiff be permitted, in view of the foregoing assertions of its own witnesses, to traverse defendant’s contention that it, defendant, *had* been lulled into security and into making investments by reason of the conduct of the plaintiff, and that defendant *was justified* in believing (until this suit was brought) that if plaintiff ever claimed any alleged cause of action against the defendant such alleged rights were worthless and had been abandoned?

“Courts of equity will not assist one who has slept under his rights and shows no excuse for his laches; and where he refrains from asserting them for prudential reasons he is entitled to less favorable consideration than if his conduct has been that of mere inaction.”

Thorne Co. v. Washburn Co., 159 U. S. 423;
40 Law Ed. 205-212.

Nor will constant claims do any good where no active steps are taken.

McKall v. Casilear, 137 U. S. 556; 34 Law Ed. 776-780.

We must apologize for the length of this Reply, but the issues are so important and the consequences so far-reaching that we have felt it our duty both to our client and to this Court to place before your Honors all the facts and circumstances on which this case must be decided.

The decree appealed from should be reversed with Costs, and the case remanded to the Court below with directions to dismiss the bill with Costs in that Court.

Respectfully submitted,

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ARNE HOISHOLT,

Of Counsel for Defendant-Appellant.

